



STATE OF MICHIGAN  
STATE BUDGET OFFICE  
LANSING

RICK SNYDER  
GOVERNOR

JOHN E. NIXON, CPA  
DIRECTOR

October 1, 2013

The Honorable Roger Kahn, Chair  
Senate Appropriations Committee  
Michigan State Senate  
State Capitol  
Lansing, Michigan 48909

The Honorable Joseph Haveman, Chair  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan 48909

Dear Legislators:

Attached is the monthly financial report for the month ending August 31, 2013. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

[www.michigan.gov/budget](http://www.michigan.gov/budget) under "Financial Reports".

If you have questions concerning the information in this report, please contact this office.

Sincerely,

John E. Nixon, CPA  
State Budget Director

Attachment

c: Governor Rick Snyder	House Fiscal Agency
Randy Richardville, Sen. Maj. Leader	Jack Brandenburg, Chair, Senate Finance Com.
Gretchen Whitmer, Senate Min. Leader	Jeff Farrington, Chair, House Tax Policy Com.
Jase Bolger, Speaker of the House	John Roberts, Deputy Chief of Staff
Tim Greimel, House Min. Leader	Dick Posthumus, Executive Office
Senate Appropriations Committee	Mike Moody, Office of Financial Management
House Appropriations Committee	Nancy Duncan, Deputy State Budget Director
Senate Fiscal Agency	Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE  
 Fiscal Year 2013  
 Projected Revenues and Expenditures  
 August 31, 2013  
 (\$ in millions)

FISCAL  
2013

<b>Beginning Balance, October 1, 2012</b>		<small>see one-time revenue</small>
<b>Current Year GF/GP Revenues, May 2013 Consensus Estimate</b>	\$	8,969.2
<b>Revenue Adjustments:</b>		
Local Government Program Payments	\$	(350.6)
Other revenue adjustments	\$	3.2
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$</b>	<b>(347.4)</b>
<b>Total FY Resources Available For Expenditure GF/GP - Ongoing</b>		<b>8,621.8</b>
<b>Expenditures, Current Law:</b>		
FY 2013 Enacted with Vetoes	\$	8,581.7
<b>Total Expenditures Projected - Ongoing</b>	<b>\$</b>	<b>8,581.7</b>
<b>Current Year Revenues minus Ongoing Costs</b>	<b>\$</b>	<b>40.1</b>
<b>Beginning Balance (One-Time Revenue)</b>		
May 2013 Consensus Estimate above January 2013 estimate	\$	396.9
One-time revenue decreases (PA 200 of 2012)	\$	(22.0)
One-time impact of enacted tax law changes	\$	(177.0)
<b>Total FY Resources Available For Expenditure GF/GP - One-Time</b>	<b>\$</b>	<b>1,177.1</b>
<b>One-Time Spending Items:</b>		
PA 200, PA 201, PA 305, PA 348, PA 349, PA 436, and PA 518 of 2012; and PA 9 and PA 102 of 2013	\$	582.6
Estimated lapses	\$	(18.0)
<b>Total Expenditures Projected - One-Time</b>	<b>\$</b>	<b>564.6</b>
<b>One-Time Revenue minus One-Time Spending</b>	<b>\$</b>	<b>612.5</b>
<b>Projected Ending Balance, September 30, 2013</b>	<b>\$</b>	<b>652.6</b>

**SCHOOL AID FUND**  
**Fiscal Year 2013**  
**Projected Revenues and Expenditures**  
**August 31, 2013**  
 (\$ in millions)

	FISCAL 2013
<b>Beginning Balance , October 1, 2012</b>	see one-time revenue
<b>Current Year School Aid Fund Revenues, May 2013 Consensus Estimate</b>	<b>\$ 11,127.7</b>
<b>Revenue Adjustments:</b>	
General Fund	\$ 282.4
Federal Revenue	\$ 1,701.0
<b>Subtotal Additional Revenue Adjustments</b>	<b>\$ 1,983.4</b>
<b>Total FY Resources Available for Expenditure School Aid Fund - Ongoing</b>	<b>\$ 13,111.1</b>
<b>School Aid Ongoing Costs</b>	
PA 201 of 2012	\$ 12,750.2
PA 60 of 2013	\$ (52.6)
Revised School Aid Ongoing Costs	\$ 12,697.6
<b>Community Colleges Ongoing Costs</b>	
PA 201 of 2012	\$ 197.6
<b>Universities Ongoing Costs</b>	
PA 201 of 2012	\$ 200.5
<b>Total Expenditures Projected - Ongoing</b>	<b>\$ 13,095.7</b>
<b>Current Year Revenues minus Ongoing Costs</b>	<b>\$ 15.5</b>
<b>Beginning Balance (One-Time Revenue)</b>	<b>\$ 254.1</b>
May 2013 Consensus Estimate above January 2013 estimate	\$ 85.7
<b>Total FY Resources Available for Expenditure School Aid Fund - One-Time</b>	<b>\$ 339.8</b>
<b>One-Time Spending Items:</b>	
PA 201 of 2012	\$ 194.3
PA 465 of 2012	\$ 0.2
PA 60 of 2013	\$ 20.0
Revised One-Time Spending Items	\$ 214.5
<b>One-Time Revenue minus One-Time Spending</b>	<b>\$ 125.4</b>
<b>Projected Ending Balance, September 30, 2013</b>	<b>\$ 140.8</b>

**SUMMARY OF EXPENDITURES AND ENCUMBRANCES  
GENERAL FUND GROSS**

August 31, 2013

(\$ IN MILLIONS)

FISCAL YEAR 2012

FISCAL YEAR 2013

Exp & Enc August 2012	Exp & Enc Yr-to-date FY 2012	Fiscal Year End SEP 30, 2012	DEPARTMENT	Initial Approp	Exec. Orders and Supplem. Approp.*	Exp & Enc August 2013	Exp & Enc Yr-to-date FY 2013
7.0	53.1	63.1	Agriculture and Rural Development	76.5	11.7	7.7	60.0
7.9	63.0	70.8	Attorney General	83.9	5.5	8.1	68.5
19.8	238.1	240.8	Capital Outlay**	320.3	26.4	21.7	248.3
1.4	11.1	12.8	Civil Rights	14.8	2.8	1.4	12.1
110.0	1,239.4	1,175.8	Colleges & Universities	1,295.2	12.5	122.6	1,300.9
1,322.5	11,868.4	13,915.9	Community Health	14,944.9	148.7	1,286.5	12,100.6
183.7	1,731.4	1,936.4	Corrections	1,983.3	24.9	197.2	1,715.2
21.3	215.7	364.8	Education	328.9	(6.6)	28.4	220.4
20.9	151.1	181.6	Environmental Quality	402.2	32.4	16.9	130.5
0.9	4.1	4.5	Executive Office	4.9	0.0	0.7	5.4
520.4	5,196.4	5,786.7	Human Services	6,519.6	(117.2)	519.0	5,237.6
18.0	184.9	231.6	Judiciary	273.8	0.7	23.8	196.5
2.1	15.9	17.9	Legislative Auditor General	18.7	0.0	2.3	17.8
11.7	96.8	104.5	Legislature	110.9	0.3	12.4	94.0
39.0	378.2	444.0	Licensing and Regulatory Affairs	606.6	(123.7)	36.2	280.9
13.3	111.3	127.4	Military Affairs	133.6	20.3	12.3	112.2
8.5	51.5	65.9	Natural Resources	101.7	14.5	5.8	61.3
0.0	0.0	0.0	School Aid	0.0	0.0	0.0	0.0
17.3	148.7	179.6	State	219.6	9.7	21.2	160.8
52.0	407.5	499.3	State Police	577.3	16.0	57.8	444.2
71.0	523.1	662.1	Technology, Management & Budget****	338.6	143.0	38.4	363.5
0.0	0.0	0.5	Transportation	23.0	0.0	11.2	23.0
230.7	1,703.8	3,149.6	Treasury	1,645.7	87.7	224.9	1,785.2
0.8	48.7	137.7	Michigan Strategic Fund	173.5	25.3	1.6	166.1
<b>\$2,680.2</b>	<b>\$24,442.2</b>	<b>\$29,373.1</b>		<b>\$30,197.5</b>	<b>\$334.9</b>	<b>\$2,658.2</b>	<b>\$24,804.8</b>

\*Includes boilerplate appropriations.

\*\*Includes all capital outlay activity regardless of agency

\*\*\*Includes Civil Service Commission

**ESTIMATED BALANCE OF STATE PAYMENTS  
TO LOCAL UNITS OF GOVERNMENT**

Fiscal Year 2013  
August, 2013  
(\$ IN MILLIONS)

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	15,336.2	135.3	15,471.5
Total state spending from state resources	27,917.6	45.2	27,962.8
Percentage of state spending from state resources paid to local units	54.93%		55.33%
Required payments to local units (48.97%)	13,671.2		13,693.4
<b>Surplus/(deficit)</b>	<b>\$1,665.0</b>		<b>\$1,778.1</b>

STATE OF MICHIGAN  
 YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES  
 COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND  
 OCTOBER 1, 2012 Through August 31, 2013  
 (in thousands)

**REVENUES**

Miscellaneous		\$ <u>386</u>
Total Revenues		<u>386</u>

**EXPENDITURES**

Current:		
General government		<u>-</u>
Total Expenditures		<u>-</u>
Excess of Revenues over (under) Expenditures		<u>386</u>

**OTHER FINANCING SOURCES (USES)**

Transfers from other funds		128,333
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>128,333</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		<u>\$ 128,719 <sup>1</sup></u>

<sup>1</sup> Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

STATE OF MICHIGAN  
 YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES  
 MICHIGAN NATURAL RESOURCES TRUST FUND  
 October 1, 2012 through August 31, 2013  
 (in thousands)

**REVENUES**

Taxes	\$ -
From federal agencies	-
From licenses and permits	-
Miscellaneous	<u>12,576</u>
Total Revenues	<u>12,576</u>

**EXPENDITURES**

<b>Current:</b>	
General government	1,296
Conservation, environment, recreation, and agriculture	1,583
Capital outlay	<u>23,626</u>
Total Expenditures	<u>26,505</u>
Excess of Revenues over (under) Expenditures	<u>(13,929)</u>

**OTHER FINANCING SOURCES (USES)**

Proceeds from bond issues	-
Proceeds from sale of capital assets	9
Transfers from other funds	-
Transfers to other funds	<u>(16)</u>
Total Other Financing Sources (Uses)	<u>(7)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>\$ (13,936) <sup>1</sup></u>

<sup>1</sup> Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

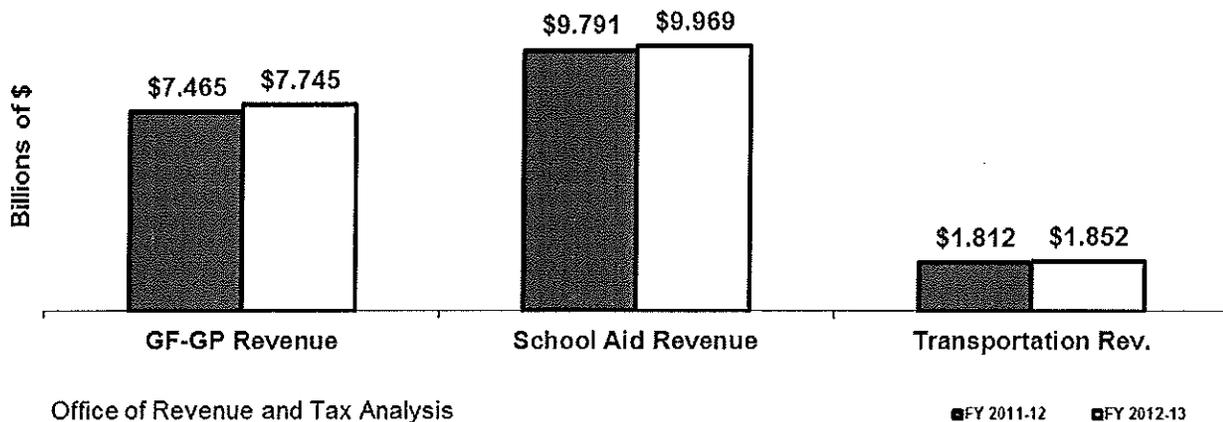
**REVENUE OVERVIEW**  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for August 2013, representing some July and some August economic activity in Michigan.

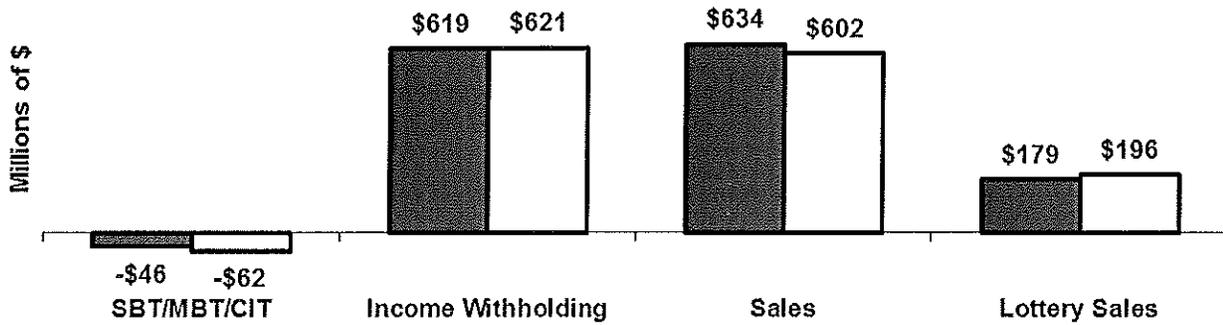
Total General Fund - General Purpose cash collections were \$31.3 million (5.5 percent) lower in August 2013 than in August 2012. The August 2013 School Aid Fund cash collections were \$9.8 million (1.1 percent) higher than in August 2012. August 2013 transportation collections were \$3.2 million (1.9 percent) higher than in August 2012 (see revenue table). August is the eleventh month of the state's fiscal year (FY). Year-to-date collection totals generally provide a more accurate view of collections, since they are less affected by the timing of payments. Year-to-date General Fund - General Purpose cash collections are up \$279.4 million (3.7 percent) from a year ago. School Aid Fund cash collections are up \$177.9 million (1.8 percent) and transportation collections are up \$40.5 million (2.2 percent).

The FY 2012-13 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on May 15, 2013. The revenue estimate for net General Fund – General Purpose revenue for FY 2012-13 is \$9,189.2 million and the net School Aid revenue forecast is \$11,213.4 million. The Transportation Funds revenue forecast is \$2,109.5 million. The next regularly scheduled Consensus Revenue Estimating Conference will be held in January 2014.

**October through August Collections  
FY 2011-12 and FY 2012-13**



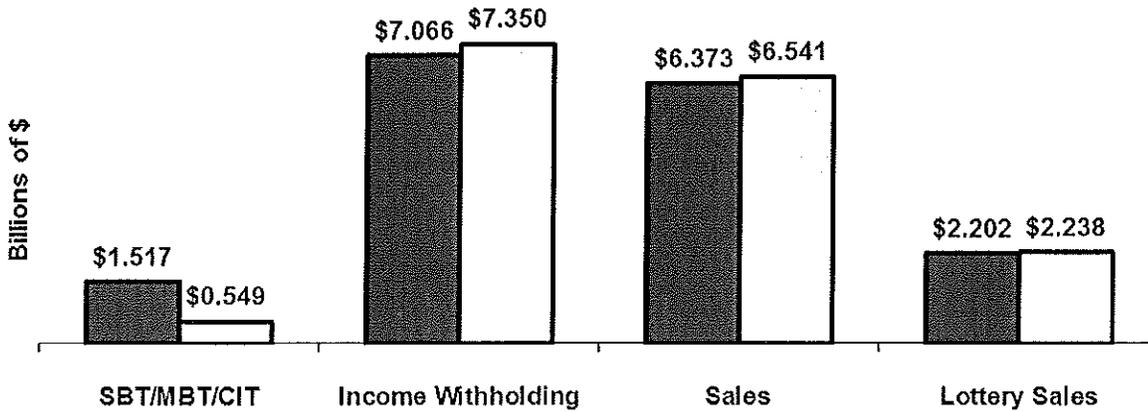
### August Revenue Collections FY 2011-12 and FY 2012-13



Office of Revenue and Tax Analysis

■ FY 2011-12   ■ FY 2012-13

### October through August Collections FY 2011-12 and FY 2012-13



Office of Revenue and Tax Analysis

■ FY 2011-12   ■ FY 2012-13

Revenue Summary FY 2012-13  
General Fund-General Purpose, School Aid, and Transportation Funds  
(in thousands)

For The Month Ended: August 31, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH AUGUST CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
August		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13	
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	CAFR Totals	Statutory Estimate	May 2013 Consensus	
<b>Income Taxes</b>												
\$618,921	\$620,980	\$2,059	0.3%	Withholding	\$7,066,224	\$7,350,063	\$283,839	4.0%	\$7,604,200	\$7,826,900	\$7,861,800	
11,268	10,758	(510)	-4.5%	Quarterlies	533,645	671,925	138,280	25.9%	766,200	744,600	824,800	
16,510	17,843	1,333	8.1%	Annuals	678,011	1,116,365	438,354	64.7%	682,500	888,000	1,110,200	
646,698	649,580	2,882	0.4%	Gross Collections	8,277,880	9,138,353	860,473	10.4%	\$9,052,900	\$9,459,500	\$9,796,800	
34,166	33,969	(197)	-0.6%	Less: Refunds	2,152,212	1,678,226	(473,986)	-22.0%	2,134,600	1,552,000	1,625,300	
0	0	0	na	State Campaign Fund	0	0	0	na	900	1,000	1,000	
612,533	615,612	3,079	0.5%	Net Personal Income	6,125,668	7,460,127	1,334,459	21.8%	\$6,917,400	\$7,906,500	\$8,170,500	
150,399	149,768	(631)	-0.4%	Less: Disbursements to SAF	1,918,855	2,091,473	172,617	9.0%	\$2,100,200	\$2,239,100	\$2,326,600	
\$462,134	\$465,844	\$3,710	0.8%	<b>NET PERSONAL INCOME TO GF-GP</b>	<b>\$4,206,813</b>	<b>\$5,368,654</b>	<b>\$1,161,841</b>	<b>27.6%</b>	<b>\$4,817,200</b>	<b>\$5,667,400</b>	<b>\$5,843,900</b>	
<b>Consumption Taxes</b>												
\$7,559	\$6,259	(\$1,300)	-17.2%	Sales (a)	\$68,261	\$68,087	(\$174)	-0.3%	\$1,081,200	\$1,134,700	\$1,002,200	
75,052	65,190	(9,862)	-13.1%	Use (f)	676,163	754,397	78,235	11.6%	794,000	834,700	829,600	
17,417	17,883	466	2.7%	Tobacco	175,226	172,427	(2,799)	-1.6%	192,600	189,500	191,400	
4,877	4,766	(91)	-1.9%	Beer, Wine & Mixed Spirits	46,547	46,119	(429)	-0.9%	50,800	50,800	51,500	
3,491	3,792	301	8.6%	Liquor Specific	34,601	36,604	2,003	5.8%	41,800	41,200	42,400	
\$108,396	\$97,910	(\$10,485)	-9.7%	<b>TOTAL CONSUMPTION TAXES</b>	<b>\$1,000,799</b>	<b>\$1,077,635</b>	<b>\$76,836</b>	<b>7.7%</b>	<b>\$2,160,400</b>	<b>\$2,250,900</b>	<b>\$2,117,100</b>	
<b>Other Taxes</b>												
(\$63,167)	(\$11,346)	\$51,821	82.0%	Single Business	(\$63,223)	(\$30,577)	\$32,645	51.6%	(\$66,200)	\$0	\$8,000	
3,772	2,845	(927)	-24.6%	Insurance Premiums Taxes	291,257	287,999	(3,257)	-1.1%	290,200	311,400	297,000	
(59,395)	(8,501)	50,894	85.7%	Sub-total SBT & Insurance	228,034	257,422	29,388	12.9%	224,000	311,400	305,000	
(12,409)	(54,017)	(41,609)	na	Michigan Business Tax	1,230,008	(170,097)	(1,400,105)	na	798,300	(552,400)	(490,000)	
29,416	3,785	(25,631)	-87.1%	Corporate Income Tax	350,212	750,080	399,868	114.0%	547,100	838,900	920,000	
4	9	5	na	Inheritance / Estate	233	(6)	(239)	na	200	0	0	
2,404	352	(2,052)	-85.3%	Telephone & Telegraph	59,657	52,001	(7,656)	-12.8%	59,200	57,300	56,000	
3,738	5,355	1,617	43.2%	Oil & Gas Severance	48,526	53,009	4,484	9.2%	53,600	61,000	53,000	
12,020	5,077	(6,943)	-57.8%	Penalties & Interest	99,513	119,576	20,063	20.2%	167,200	127,500	133,000	
354	375	20	5.7%	Miscellaneous Other/Railroad	1,569	1,333	(236)	-15.0%	1,700	1,000	1,000	
(10,583)	(10,667)	(83)	-0.8%	Treasury Enforcement Programs (e)	(116,417)	(117,333)	(917)	-0.8%	(130,200)	(128,000)	(128,000)	
(\$34,450)	(\$58,231)	(\$23,782)	-69.0%	<b>TOTAL OTHER TAXES</b>	<b>\$1,901,334</b>	<b>\$945,985</b>	<b>(\$955,350)</b>	<b>-50.2%</b>	<b>\$1,721,100</b>	<b>\$716,700</b>	<b>\$850,000</b>	
\$536,080	\$505,523	(\$30,557)	-5.7%	<b>SUBTOTAL GF-GP TAXES</b>	<b>\$7,108,946</b>	<b>\$7,392,274</b>	<b>\$283,328</b>	<b>4.0%</b>	<b>\$8,698,800</b>	<b>\$8,634,900</b>	<b>\$8,811,000</b>	

continued

Revenue Summary FY 2012-13  
General Fund-General Purpose, School Aid, and Transportation Funds  
(in thousands)

For The Month Ended: August 31, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH AUGUST CASH COLLECTIONS DATA						REVENUE PROJECTIONS		
August		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13	
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	CAFR Totals	Statutory Estimate	May 2013 Consensus	
<b>Non-Tax Revenue (e)</b>												
\$1,667	\$1,667	\$0	0.0%	Federal Aid	\$18,333	\$18,333	\$0	0.0%	\$54,800	\$20,000	\$20,000	
83	83	0	0.0%	Local Agencies	917	917	0	0.0%	3,200	1,000	1,000	
917	917	0	0.0%	Services	10,083	10,083	0	0.0%	10,500	11,000	11,000	
1,667	1,667	0	0.0%	Licenses & Permits	18,333	18,333	0	0.0%	16,300	20,000	20,000	
0	0	0	na	Investments/Interest Costs	(1,368)	(719)	649	47.4%	(1,900)	(3,200)	(3,200)	
10,667	10,250	(417)	-3.9%	Misc. Non-tax Revenue	117,333	114,750	(2,583)	-2.2%	157,000	118,000	123,000	
13,583	13,600	17	0.1%	Liquor Purchase Revolving Fund	149,417	150,300	883	0.6%	174,400	157,200	163,200	
3,925	3,600	(325)	-8.3%	From Other Funds-Lottery & Escheats	43,175	40,300	(2,875)	-6.7%	152,100	11,000	43,200	
<b>\$32,508</b>	<b>\$31,783</b>	<b>(\$725)</b>	<b>-2.2%</b>	<b>TOTAL NON-TAX REVENUE</b>	<b>\$356,224</b>	<b>\$352,297</b>	<b>(\$3,926)</b>	<b>-1.1%</b>	<b>\$566,400</b>	<b>\$335,000</b>	<b>\$378,200</b>	
<b>\$568,588</b>	<b>\$537,306</b>	<b>(\$31,282)</b>	<b>-5.5%</b>	<b>TOTAL GF-GP REVENUE</b>	<b>\$7,465,170</b>	<b>\$7,744,571</b>	<b>\$279,401</b>	<b>3.7%</b>	<b>\$9,265,200</b>	<b>\$8,969,900</b>	<b>\$9,189,200</b>	
<b>School Aid Fund</b>												
\$259,070	\$246,097	(\$12,973)	-5.0%	Sales Tax 4%	\$2,608,294	\$2,674,388	\$66,094	2.5%	2,841,000	2,943,200	3,010,900	
202,293	191,790	(10,503)	-5.2%	Sales Tax 2%	2,026,020	2,083,724	57,704	2.8%	2,216,000	2,288,700	2,153,600	
37,276	32,595	(4,681)	-12.6%	Use Tax 2% (f)	529,540	375,857	(153,683)	-29.0%	412,600	417,300	414,900	
135,668	167,211	31,544	23.3%	State Education Property Tax	1,398,008	1,415,358	17,350	1.2%	1,789,500	1,829,400	1,792,000	
15,766	22,967	7,202	45.7%	Real Estate Transfer Tax	126,904	171,951	45,046	35.5%	150,100	133,600	190,500	
60,000	60,000	0	0.0%	Lottery Transfer (b)	640,000	620,000	(20,000)	-3.1%	778,400	744,700	745,000	
9,471	9,145	(326)	-3.4%	Casino Wagering Tax	107,224	103,498	(3,726)	-3.5%	115,800	106,300	109,700	
3,411	3,710	299	8.8%	Liquor Excise Tax	34,089	36,127	2,038	6.0%	41,300	41,200	42,400	
35,359	36,305	947	2.7%	Cigarette/Tobacco Tax	355,736	350,054	(5,682)	-1.6%	374,100	364,800	366,500	
1,908	1,488	(420)	-22.0%	Indus. & Comm. Facilities Taxes	30,767	27,806	(2,961)	-9.6%	35,700	43,900	37,900	
3,906	3,241	(665)	-17.0%	Specific Other	15,650	18,728	3,079	19.7%	24,000	17,100	23,100	
150,399	149,768	(631)	-0.4%	Income Tax Earmarking	1,918,855	2,091,473	172,617	9.0%	\$2,100,200	\$2,239,100	\$2,326,600	
<b>\$914,525</b>	<b>\$924,317</b>	<b>\$9,791</b>	<b>1.1%</b>	<b>TOTAL SCHOOL AID FUND</b>	<b>\$9,791,086</b>	<b>\$9,968,963</b>	<b>\$177,877</b>	<b>1.8%</b>	<b>\$10,878,700</b>	<b>\$11,169,500</b>	<b>\$11,213,400</b>	
<b>\$634,075</b>	<b>\$601,951</b>	<b>(\$32,124)</b>	<b>-5.1%</b>	<b>SALES TAX 6%</b>	<b>\$6,373,177</b>	<b>\$6,541,037</b>	<b>\$167,860</b>	<b>2.6%</b>	<b>\$6,952,800</b>	<b>\$7,194,100</b>	<b>\$7,100,700</b>	
431,783	410,161	(21,621)	-5.0%	SALES TAX 4%(d)	4,347,157	4,457,313	110,156	2.5%	4,736,800	4,905,400	4,947,100	
202,293	191,790	(10,503)	-5.2%	SALES TAX 2%	2,026,020	2,083,724	57,704	2.8%	2,216,000	2,288,700	2,153,600	
112,328	97,785	(14,543)	-12.9%	USE TAX 6% (f)	1,205,702	1,130,254	(75,448)	-6.3%	1,206,600	1,252,000	1,244,500	
87,522	89,885	2,343	2.7%	TOBACCO TAXES	880,534	866,470	(14,064)	-1.6%	963,200	941,600	950,000	
0	0	0	na	TOBACCO SETTLEMENT	194,430	301,315	106,884	55.0%	na	na	na	

continued

**Revenue Summary FY 2012-13**  
**General Fund-General Purpose, School Aid, and Transportation Funds**  
(in thousands)

For The Month Ended: August 31, 2013

MONTH-END CASH COLLECTIONS DATA				OCTOBER THROUGH AUGUST CASH COLLECTIONS DATA				REVENUE PROJECTIONS			
August		Difference		SOURCE OF REVENUE	Year-to-Date		Difference		FY 2011-12	FY 2012-13	FY 2012-13
2012	2013	Amount	Percent		FY 2011-12	FY 2012-13	Amount	Percent	CAFR Totals	Statutory Estimate	May 2013 Consensus
<b>Major Transportation Revenues</b>											
\$11,146	\$11,190	\$44	0.4%	Diesel Fuel / Motor Carrier Fuel Tax	\$116,276	\$119,132	\$2,856	2.5%	\$126,782	\$128,500	\$128,500
73,794	74,161	367	0.5%	Gasoline	749,576	755,021	5,445	0.7%	818,798	825,500	815,000
71,536	73,746	2,210	3.1%	Motor Vehicle Registration	811,128	834,989	23,862	2.9%	876,064	877,000	890,000
4,520	4,546	26	0.6%	Other Taxes, Fees & Misc.	43,236	44,126	890	2.1%	121,038	164,524	166,564
8,610	9,122	512	5.9%	Comprehensive Transportation (c)	91,619	99,056	7,436	8.1%	98,742	104,322	109,463
<b>\$169,606</b>	<b>\$172,764</b>	<b>\$3,159</b>	<b>1.9%</b>	<b>TOTAL MAJOR TRANS. REVENUES</b>	<b>\$1,811,835</b>	<b>\$1,852,325</b>	<b>\$40,489</b>	<b>2.2%</b>	<b>\$2,041,425</b>	<b>\$2,099,845</b>	<b>\$2,109,527</b>
<b>Lottery Sales By Games</b>											
55,962	66,372	10,410	18.6%	Instant Games	703,522	750,618	47,097	6.7%	na	na	na
49,763	51,635	1,872	3.8%	Daily Games	621,079	607,221	(13,858)	-2.2%	na	na	na
31,050	35,329	4,279	13.8%	Lotto and Big Game	354,495	352,506	(1,988)	-0.6%	na	na	na
910	829	(81)	-8.9%	Keno Game	11,291	10,353	(938)	-8.3%	na	na	na
0	0	0	na	Lucky Lines Game	1,625	0	(1,625)	-100.0%	na	na	na
(0)	0	0	na	Millionaires Raffle	6,788	5,100	(1,688)	-24.9%	na	na	na
40,977	41,780	803	2.0%	Club Games	502,843	512,309	9,466	1.9%	na	na	na
<b>\$178,661</b>	<b>\$195,945</b>	<b>\$17,283</b>	<b>9.7%</b>	<b>TOTAL LOTTERY SALES</b>	<b>\$2,201,642</b>	<b>\$2,238,107</b>	<b>\$36,464</b>	<b>1.7%</b>	<b>na</b>	<b>na</b>	<b>na</b>

a GF-GP Sales has been estimated based on CTF and Health Initiative shares.

b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the SAF transfer. The transfers shown are actual transfers from Lottery to SAF.

c The CTF distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the CTF).

d 2% collections adjusted to reflect exemption on residential utilities.

e Non-tax revenue items other than interest are estimates.

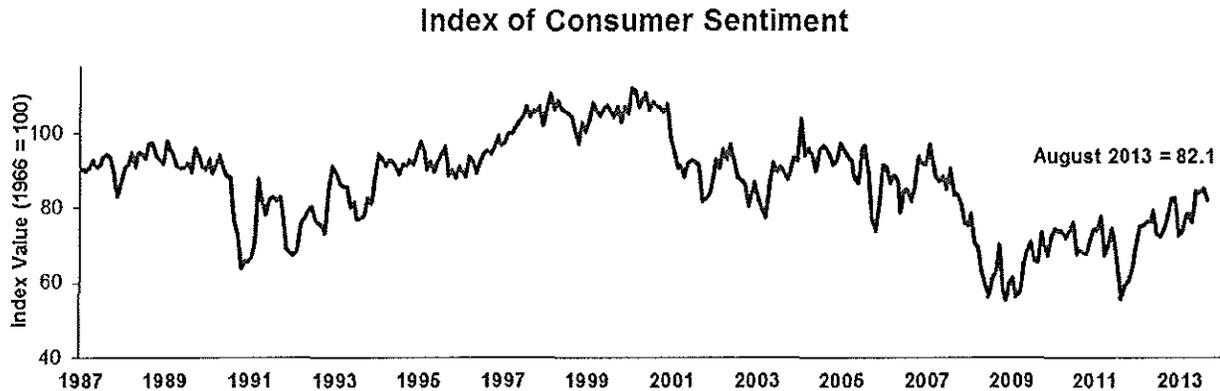
f Starting in April 2009, per P.A. 440 of 2008, totals include revenue from expanded use tax collections.

Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

## Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

### U. S. Economy



Source: University of Michigan, Survey Research Center

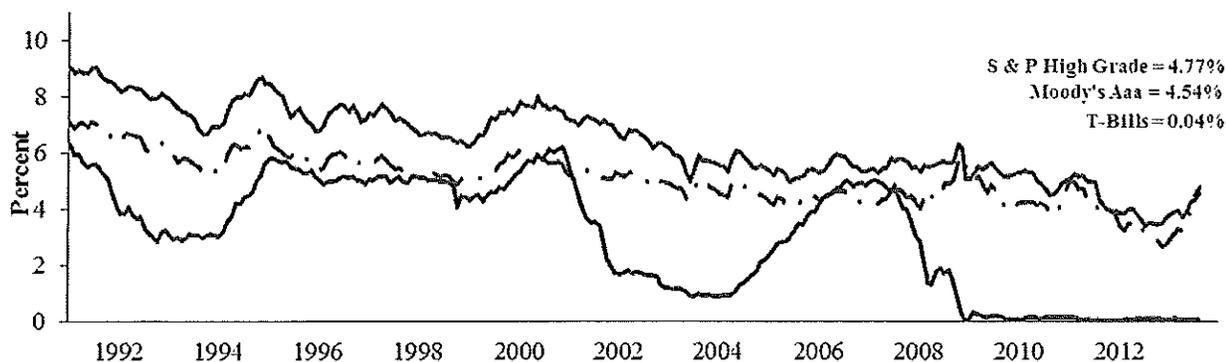
The *Index of Consumer Sentiment* fell in August to 82.1 index-points, 3.0 index-points below the July value but 7.8 index-points above August 2012. On the decrease in confidence, Survey Director Richard Curtin observed, "Consumer confidence rebounded in late August, although the gains were not sufficient to offset the losses recorded earlier in the month. Nearly all of the August decline was recorded among households with incomes below \$75,000. Most of the late August gain was due to more favorable income expectations, with consumers expecting the largest income gains in nearly five years – although the median expected increase was just 0.9%, less than the expected rate of inflation. Increases in home values continued, but consumers anticipated the pace of gains would slow in the year ahead." Curtin noted, "Although evaluations of overall conditions in the economy were somewhat less favorable in August, the decline was rather minor leaving assessments well above last year's levels." On buying attitudes for vehicles and household durables, Curtin reported, "Buying plans for durables and vehicles declined slightly in August largely due to less favorable views of market prices. Net favorable references to durable prices fell to its lowest level since November of 2008." In August, consumers in only one of the four regions reported an increase in confidence. Southern consumers reported an increase in confidence of 4.6 index-points. Western consumers reported the largest decrease in confidence at 12.2 index-points. The gap across regions decreased from last month to 5.6 index-points, with Western consumers on top and Midwestern consumers on the bottom.

The preliminary estimate of real *Gross Domestic Product* for the second quarter of 2013 is \$15,681.0 billion (chained 2005 dollars), an increase of 2.5 percent at an annual rate. In the first quarter of 2013, real gross domestic product increased 1.1 percent. The increase in second quarter real GDP was mainly due to personal consumption expenditures, exports, nonresidential fixed investment, residential investment, and private inventory investment. Imports, which are a subtraction in calculating GDP, increased. Real personal consumption expenditures increased 1.8 percent in the second quarter, compared to a 2.3 percent increase in the first quarter. Real residential fixed investment increased 12.9 percent in the second quarter compared to an increase of 12.5 percent in the first quarter. Real nonresidential fixed investment increased 4.4 percent in the second quarter while equipment increased 2.9 percent. Real federal government expenditures decreased 1.6 percent in the second quarter, compared to an 8.4 percent increase in the first quarter. Real state and local government spending decreased 0.5 percent in the second quarter, compared to a decrease of 1.3 percent in the first quarter.

Exports of goods and services increased 8.6 percent in the second quarter, compared to a 1.3 percent decrease in the first quarter. Imports increased 7.0 percent in the second quarter compared to an increase of 0.6 percent in the first quarter. Private inventory investment increased \$62.6 billion in the second quarter, following a \$42.2 billion increase in the first quarter. Real final sales increased 1.9 percent in the second quarter compared to an increase of 0.2 percent in the first quarter. On the inflation front, the implicit price deflator increased 0.7 percent in the second quarter compared to a 1.7 percent increase observed in the first quarter.

**U. S. retail prices**, as measured by the Consumer Price Index (CPI-U), increased 0.1 percent in August, down from an increase of 0.2 percent in July. Energy prices decreased 0.3 percent in August, down from a 0.2 percent increase in July, while the all-items less food and energy component increased 0.1 percent in August. Compared to August 2012, the all-items index increased 1.5 percent. For major component groups, the unadjusted changes from one year ago were: food and beverages, 1.4 percent; medical care, 2.3 percent; apparel, 1.8 percent; education and communication, 1.5 percent; other goods and services, 1.6 percent; housing, 2.2 percent; recreation, 0.4 percent; and transportation, 0.1 percent, with gasoline prices down 2.4 percent.

### Selected Key Interest Rates



Source: Economic Indicators

Short-term interest rates remained unchanged in August as the 3-month Treasury bill (T-bill) rate was 0.04 percent. Compared to one year ago, the T-bill rate was down 0.07 percentage point. The Aaa corporate bond rate, a long-term interest rate, increased 0.07 percentage point to an interest yield of 4.54 percent in August. The Aaa bond yield was up 1.06 percentage points from its year-ago level. The interest rate on High-grade municipal bonds increased 0.26 percentage point from the July level to 4.77 percent in August, and was up 1.70 percentage points from its year-ago level. The Federal Open Market Committee kept the target range for the federal funds rate between 0 and 0.25 percent at the September 18th meeting. The FOMC stated "the Committee decided to keep the target range for the federal funds rate at 0 to ¼ percent and currently anticipates that this exceptionally low range for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee's 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored." The Committee "will closely monitor incoming information on economic and financial developments in coming months."

In August, the U. S. unemployment rate decreased 0.1 percentage point from a month ago to 7.3 percent and was 0.8 of a percentage point lower than a year ago. Civilian employment totaled 144.2 million persons in August. The number unemployed was 11.3 million nationwide.

## Unemployment Rates 2009 - 2013



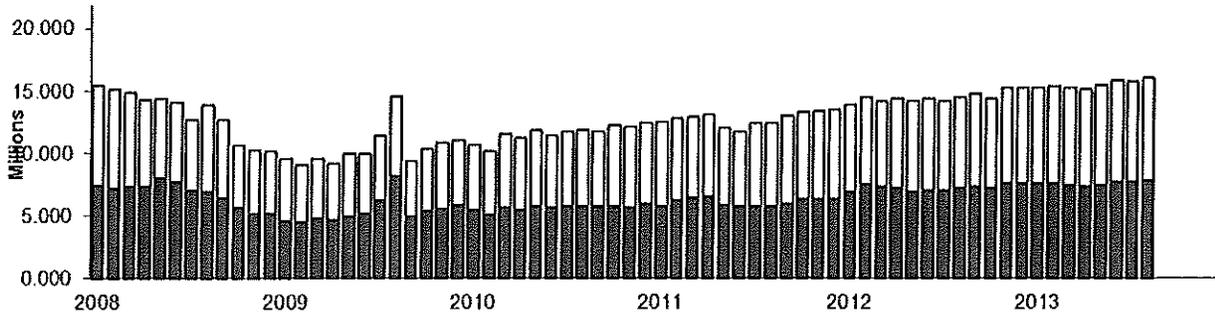
Source: Bureau of Labor Statistics and Michigan Department of Technology, Management & Budget

In August, the **Michigan jobless rate** increased 0.2 percentage point to 9.0 percent from July. The August unemployment rate is 0.3 of a percentage point below the year ago level. In August, the labor force decreased by 1,000 to 4,727,000, while the number of people employed decreased by 7,000 to 4,302,000. In August, there were 425,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

**Detroit retail prices**, as measured by the Detroit Consumer Price Index (CPI-U), decreased 0.7 percent from June to August compared to 1.2 percent increase from April to June. The all-items less food and energy index increased 0.3 percent from June to August. The food index increased 0.3 percent from June to August while the energy index decreased 8.4 percent. Compared to August 2012, the all-items index increased 1.3 percent. For individual component items, the changes from one year ago were: food and beverages, 2.0 percent; apparel, 6.3 percent; education and communication, 2.6 percent; transportation, -0.8 percent; recreation, 1.5 percent; medical care, 5.0 percent; housing, 1.0 percent; and other goods and services, 0.0 percent.

**Motor Vehicle Sector**

**U. S. Light Vehicle Sales**



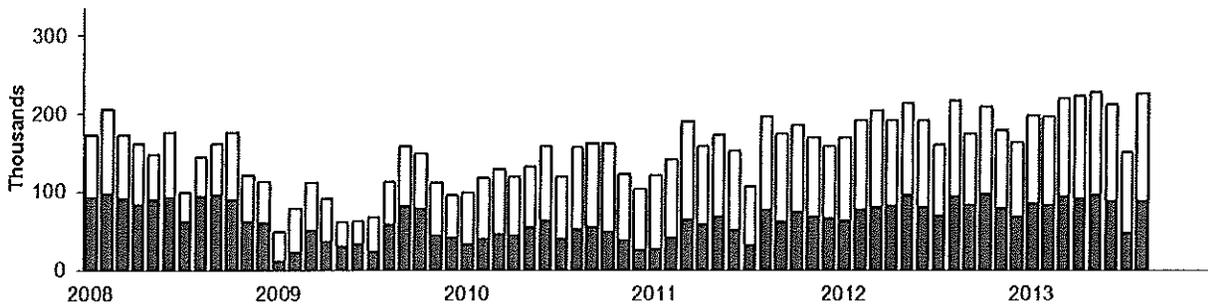
Source: Bureau of Economic Analysis

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**U.S. light vehicle sales** (cars + light trucks) increased 1.8 percent in August compared to July, selling at a 16.0 million unit seasonally adjusted annual rate. Domestic car sales increased 0.3 percent while domestic light truck sales increased 3.3 percent. Import car sales increased 4.5 percent while import light truck sales decreased 4.0 percent. Compared to last year, light vehicle sales increased 11.1 percent. Domestic car sales were up 7.2 percent while domestic light truck sales increased 10.4 percent. Import car sales were up 14.8 percent from last year while import truck sales increased 28.1 percent. As a result, the domestic share of U.S. light vehicle sales decreased 1.5 percentage points from a year ago. For fiscal year 2013 year-to-date, domestic light vehicles recorded a 78.3 percent share of a 15.3 million-unit market.

**Michigan motor vehicle production** increased to 225,550 units in August from 150,262 units in July. From a year ago, motor vehicle production increased 4 percent both in Michigan and nationally. In August, Michigan's car production was 87,549 units while the state's truck production was 138,001 units. Compared with a year ago, car production decreased 7 percent in Michigan and also fell 4 percent nationwide. The state's truck production increased 13 percent while national truck production increased 11 percent from a year ago. Michigan motor vehicle production data are not seasonally adjusted.

**Michigan Motor Vehicle Production**



Source: Office of Revenue and Tax Analysis

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**Summary Estimates of the Constitutional Revenue Limit  
Based on the May 15, 2013 Consensus Revenue Agreement  
(Article IX, Section 26)  
(in millions)**

	<u>Fiscal Year 2010-11 Actual</u>	<u>Fiscal Year 2011-12 Actual</u>	<u>Fiscal Year 2012-13 Estimate</u>
Applicable Calendar Year Personal Income	\$345,933	\$342,663	\$358,152
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$32,829.0</u>	<u>\$32,518.7</u>	<u>\$33,988.6</u>
Revenue Limit	\$32,829.0	\$32,518.7	\$33,988.6
State Revenue Subject to Limit	<u>\$27,248.2</u>	<u>\$27,288.3</u>	<u>\$27,580.8</u>
Amount Under (Over) Limit	\$5,580.8	\$5,230.4	\$6,407.8

Sources:

Personal Income Estimate

The FY 2010-11 calculation uses the official personal income estimate for calendar year 2009 (Survey of Current Business, October 2010).

The FY 2011-12 calculation uses the official personal income estimate for calendar year 2010 (Survey of Current Business, October 2011).

The FY 2012-13 calculation uses the official personal income estimate for calendar year 2011 (Survey of Current Business, October 2012).

Revenue Subject to the Limit

The FY 2010-11 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2011.

The FY 2011-12 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2012.

The FY 2012-13 calculation uses the May 15, 2013 Consensus Revenue Agreement.

Column detail may not add to totals because of rounding

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury